

Competitive horizons

Growth of 2.0 per cent expected for EU region economy in 2019

Ongoing improvement to labor market conditions and a lowering of household debts should help boost economic expansion for EU countries, a report published by www.eubusiness.com claims. Favorable monetary policy and growing consumer confidence are other reasons why 2019 is predicted to bring growth of 2.0 per cent. However, the figure is 0.2 per cent lower than previously forecast by the European Commission. Trade pressures with the USA and some degree of political uncertainty in certain member nations are among the largest concerns. A negative effect on trade and investment is likely should these trading tensions unexpectedly intensify. Increase in oil prices and fears that geopolitical issues will destabilize financial markets are cited as other reasons for the growth prediction being downwardly revised.

Greater boardroom commitment needed to increase innovation

Reluctance from board members to invest in innovation is seen as a significant obstacle to growth for many companies. Such attitudes prevail across various industries but seem particularly endemic among manufacturing firms. A report published by www.industrytoday.com suggests that cost control is a stronger priority among some boards. Others regard innovation as too complex, while belief that the organization lacks the necessary skills also exists. Failure to regard IT and finance in strategic terms has likewise been identified as a barrier. The report argues that business leaders need to change the mentality at board level so that risk is encouraged and deemed essential to learning and development. When innovation becomes an integral part of organizational culture, the impact on productivity and customer satisfaction is invariably positive. And the higher competitiveness that also results can ultimately help lower operating costs and raise profit levels.

Sports industry set to become key driver of economy in China

According to a report published by www.chinadaily.com.cn, the sports industry will become a major factor in China's economic growth. The signs are already there, with several sportswear brands announcing record sales during 2018. As a consequence of this soaring demand for sporting goods and services, it is expected that a considerable number of new firms will emerge with the number of people employed in the industry rising to over 4.4 million. Fitness, competitive sports, and casual sports are identified as strong growth areas, while recent years have also witnessed soaring interest in marathons. The Chinese Athletic Association expects around 1,900 marathons to be held across the nation by 2020. At the start of the current decade, there were just 22. Regional government support is also aiding sector growth, the report points out. Examples include developments planned or already commenced in Hainan province and Jiangsu province. Finance from private sources is likewise gathering momentum.

Western European nations lead growing demand for biodegradable plastics

Research conducted by IHS Markit points to tighter regulations as the main reason why Western Europe has become the biggest market for biodegradable plastics. Banning of plastic bags and other single-use items is seen as largely explaining why the region currently leads the market for the specialty polymers. It currently accounts for 55 per cent of worldwide market value ahead of Asia and Oceania and North America where consumption is 25 and 19 per cent, respectively. The UK-based global information provider forecasts demand to increase by an annual average of 9 per cent through 2023 to reach 550,000 tons. By this time, the market for such plastics will be worth \$1.7bn. Food packaging, bags, and disposable tableware are among the sectors IHS Markit cites as key drivers of expansion. Increasing cost-effectiveness of biodegradables relative to petroleum-based alternatives is also helping to fuel demand, the report, as published by www.plasticsnewseurope.com, notes. However, likelihood of further restrictions being implemented across Europe should ensure that legislation remains the largest individual growth driver.